

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN AND TRUST

Bal Harbour Village Hall, 2nd Floor Conference Room
655 – 96th Street, Bal Harbour, Fl 33154
REGULAR QUARTERLY MEETING – JANUARY 23RD, 2017

1. Call to Order – Chairman Paul Eppler called the meeting of the Bal Harbour Village Police Officers' Pension Plan to order at 3 P.M.

Roll Call

Present

Paul Eppler, Chairman
David Levin
Hector Gonzalez

Absent

Dr. Abraham Gotman, Secretary
Daniel Gold

Both Dr. Gotman and Daniel Gold had advised previously that they were available to participate via speaker phone.

OTHERS PRESENT: Gregg Gosch from Sawgrass Asset Management, John McCann from AndCo Consulting (formerly The Bogdahn Group), Paul A. Daragjati, Esq., from Klausner, Kaufman, Jensen & Levinson, Attorneys for the Plan and Joan L. Wall, Clerk to the Board of Trustees.

2. Additions/Deletions to Agenda – None.

3. Approval of Minutes for the meeting of October 24th, 2016. Chairman Eppler presented the minutes from the previous meeting for approval. Hector Gonzalez moved to approve. David Levin seconded the motion. The motion carried unanimously.

4. Approval of Warrant #096. Chairman Eppler presented the invoices listed on the agenda, with the exception of invoices from Fiduciary Trust and Foster & Foster that had not been received, totaling \$47,403.43 for approval and payment. Hector Gonzalez moved to approve. David Levin seconded the motion. The motion carried unanimously, authorizing payment of the following:

Cypen & Cypen, November & December, 2016 Retainers @ \$2,000	\$ 4,000.00
Klausner, Kaufman, Jensen & Levinson, January, 2017 Retainer	\$ 2,000.00
Holland & Knight, Inv #5428953 dated 11/23/16	\$ 130.00
Holland & Knight, Inv #5443472 dated 12/20/16	<u>\$2,567.50</u>
<u>TOTAL</u>	\$ 2,697.50

Joan L. Wall, 10/18/16 – 1/10/17, 75 ¾ hrs @ \$46.79, plus expenses \$191.98	\$ 3,736.32
Sawgrass Asset Management; Investment Fee for Qtr Ending 12/31/16	\$24,446.89
AndCo Consulting (formerly Bogdahn Group), Performance Report for Qtr Ending 12/31/16	\$ 4,386.72
Marcum LLP, Progress Billing for 9/30/16 Audit	<u>\$ 6,136.00</u>
<u>TOTAL For Warrant #096</u>	<u>\$47,403.43</u>

5. Approval of Retirement Benefits. Chairman Eppler presented the retirement benefits that were listed on the agenda. David Levin moved to approve payment. Hector Gonzalez seconded the motion. The motion carried unanimously, approving the following benefits:

Esther Overton, Beneficiary Benefit, 120 Monthly Benefits, Retro to 12/1/16	\$ 7,222.62
Madeleine Orr, Leaving DROP 2/28/16, March 1, 2017 Benefit	\$ 7,520.79

The question was raised as to whether or not a beneficiary would be eligible to receive an annual COLA benefit. Attorney Daragjati stated he would look into the matter and advise the board at the next meeting.

UNFINISHED BUSINESS

6. a) Review of Experience Study – Continued from 7/25/16 & 10/24/16 awaiting a full board with Patrick Donlan to be available via speakerphone. The trustees reviewed the study. David Levin pointed out the section of page 5 that related to Investment Returns. The closing sentence confirmed the 8% investment return assumption seemed to be in line with long term expectations. David Levin moved to accept this assumption at this time. Hector Gonzalez seconded the motion. The motion carried unanimously.

6. b) Status of Ordinance Amending the Plan to comply with a Favorable IRS Determination Letter – Continued from 10/24/16. According to prior information, this was being taken care of at the present time.

NEW BUSINESS

7. a) Gregory Gosch, Sawgrass Asset Management – Investment Report. The final quarter provided a surprising end to what had been a surprising year. What was striking about the “Trump” rally were the sharp moves in certain industry groups, with the biggest beneficiary the Finance sector. Value stocks, led by finance, outperformed Growth by the widest margin in some time. The S&P returned 12% for the year. It was a challenging year for active managers. As we enter 2017 investor expectations are higher than they have been in some time, with the risk/reward scale

tilted toward the side of risk. Despite this, the new political environment could foster more growth. It will certainly be an eventful year with more volatility.

7. b) John McCann, AndCo Consulting (formerly Bogdahn Group) – **Performance Report for Quarter Ending December 31st, 2016.** Asset allocation was Domestic Equity 59.9%, Domestic Fixed Income 38.7% and Cash Equivalents 1.4% for a total market value of \$20,359,607, up \$986,397 from the previous quarter. The net return for the quarter was .30%, 4.68% for one year, 4.94% for three years and 8.97% for five years as compared with the policy returns of 1.47%, 8.06%, 6.27% and 9.52% for the same time periods.

Mr. McCann stated he would like to revise the Investment Policy Statement to reflect more flexibility by adjusting the Small Cap Equity limitation from 7% to 10%, with any increase to come from Large Cap Equity and to change the index measurement from S&P 500 to Russell 1000G and 2000G. David Levin moved to authorize both of the recommended changes in the Investment Policy Statement. Hector Gonzalez seconded the motion. The motion carried unanimously. Andco will present the revised policy at the next meeting for approval and acceptance.

7. c) Review/Accept the Net DROP Return of 0.30% for the quarter ending December 31st, 2017. Based on the report of the professionals, Hector Gonzalez moved to accept. David Levin seconded the motion. The motion carried unanimously.

7. d) Pending FRS Mortality Table per the attorneys' memo dated November 23rd, 2016. The decision was to immediately adopt or continue to the next year. The trustees decided to continue this decision to the next meeting when the actuary was present.

7. e) Authorize Adam Levinson, Esq. of Klausner, Kaufman, Jensen & Levinson authority to "Read Only" Fiduciary Trust statements. The matter was continued to the next meeting.

7. f) Schools/Conferences

- **FPPTA**, Winter Trustees School, January 29th – February 2nd, 2017, Rosen Center, Orlando
- **NAPO**, 29th Annual Pension & Benefits Seminar – February 26th – 28th, 2017, Hyatt Grand Cypress Resort, Orlando

7. g) Status of Audit and Actuarial Report – These will be presented at the April meeting.

8. Input from Active/Retired Members – None.

9. Trustees' Concerns – David Levin recommended investigating the use of I-Pads or the services of Drop Box for presentation of future meeting materials.

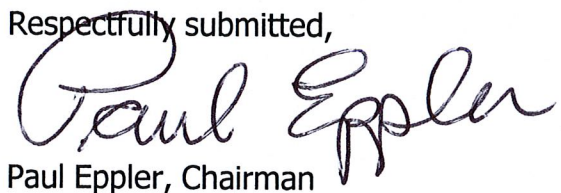
10. Public Comments - Gregory Gosch requested the next meeting start at 4 P.M., stating he would like to invite the trustees to dinner after the meeting.

11. REPORTS

- **Attorney** – None.
- **Board Clerk** – Annual Affidavits sent January 9th, 2017
- **Other** – NCPERS October 6, 2016 communication

12. Next Meeting Date/Adjournment. Chairman Eppler announced the next meeting would be held on Monday, April 24th, 2017 at 4 P.M. There being no further business before the board, the meeting was adjourned at 4:36 P.M.

Respectfully submitted,


Paul Eppler, Chairman